

October 27, 2004

RE: Search for Firms to Provide Securities Litigation and Related Services

Dear :

Your firm has been identified by the Washington State Attorney General's Office (AGO) and the Washington State Investment Board (WSIB) as having potential expertise in the litigation of securities cases and related services. The purpose of this letter is to solicit a response to the enclosed Request for Qualifications and Quotations (RFQQ).

If your firm is interested in submitting a response to the RFQQ, please provide written responses and materials that address the requirements and areas noted in the accompanying RFQQ no later than 5:00 p.m. Pacific, Friday, December 3, 2004.

The AGO and the WSIB intend to create a roster of outside law firms with the appropriate expertise and resources to provide securities litigation and related services. The AGO and the WSIB will use the roster when there is a need for securities litigation representation and related services. Contracts with the law firms selected for the roster are anticipated to be entered into for a period of three (3) years, with two one-year renewal options, at the option of the AGO and the WSIB. Law firms wishing to submit a response to this RFQQ must demonstrate expertise in securities litigation, particularly in class action and shareholder and derivative litigation, resources to undertake such litigation, and the ability to provide related services such as monitoring and initial identification of potential cases, and providing recommendations on whether to become involved in particular cases that might involve investments held by the WSIB.

Upon review of the responses received, the AGO and the WSIB will determine those firms to be invited for an interview and final selection.

Very truly yours,

W. HOWARD FISCHER
Senior Assistant Attorney General

REQUEST FOR QUALIFICATIONS AND QUOTATIONS FOR SECURITIES LITIGATION AND RELATED SERVICES

Introduction

The Washington State Attorney General's Office ("AGO") serves as counsel to and provides legal services to the Washington State Investment Board ("WSIB"), a major institutional investor. To learn more about the WSIB, please visit its website at www.sib.wa.gov. To learn more about the AGO, please visit its website at www.atg.wa.gov.

The WSIB is a public agency of the state of Washington established to administer the state's investment activity. The WSIB investment programs include both qualified (IRC §401(a)) retirement programs and non-qualified programs. The WSIB manages the investment of defined-benefit retirement funds, a hybrid retirement plan consisting of defined-contribution and defined-benefit components, a deferred compensation plan (IRC §457), a large pool of insurance fund assets, and a number of permanent and other trust funds. The WSIB currently manages and invests more than \$57 billion in assets.

The AGO intends to create a roster of outside law firms with the appropriate expertise and resources to provide securities litigation and related services. The AGO will use the roster when there is a need for securities litigation representation and related services. Contracts with the law firms selected for the roster are anticipated to be entered into for a period of three (3) years, with two one-year renewal options, at the option of the AGO. Law firms wishing to submit a response to this Request for Qualifications and Quotations for Securities Litigation and Related Services ("RFQQ") must demonstrate expertise in securities litigation, particularly in class action and shareholder and derivative litigation, resources to undertake such litigation, and the ability to provide related services such as monitoring and initial identification of potential cases, and providing recommendations on whether to become involved in particular cases that might involve investments held directly by the WSIB.

Selection Process

The selection process starts with the release of this RFQQ and concludes with the award of optional-use contracts to a roster of qualified firms. The purpose of this RFQQ is to obtain and determine offeror qualifications and fee quotations in order to select a roster of qualified firms.

The roster of qualified firms will be designated as Special Securities Litigation Counsel and will be used on an as needed basis, at the sole discretion and option of the AGO. It is not possible to predict the number of matters or cases, if any, which may be assigned and there is no guarantee of work or compensation to firms selected for the roster.

Scope and Nature of Services

The Special Securities Litigation Counsel, under the supervision and control of the AGO, will be provided information about the direct domestic U.S. public equity investments of the WSIB in order to monitor potential cases affecting the investments. Offerors should outline what monitoring services they may be able to provide. In addition, among other requirements, the Special Securities Litigation Counsel will be expected to:

- a. Diligently gather facts and assess applicable laws as to potential cases;

b. Advise the AGO of the existence of situations where litigation or arbitration may be warranted, including an assessment of likely outcome, whether there is on-going litigation to which the WSIB should be a party, whether the WSIB should apply to be lead plaintiff or join the lead plaintiff group, and other factors, as appropriate, to enable the AGO and the WSIB to make an informed decision on how to proceed;

c. If requested by the AGO, zealously represent the WSIB (and, in any class action where the WSIB is lead plaintiff, the plaintiff class) at all stages of litigation;

d. If a settlement or recovery is proposed, provide a confidential written analysis outlining key findings and significant events in the litigation, and a recommendation as to whether the AGO and the WSIB should accept the proposed settlement or recovery;

e. Be responsive to and available on an “as needed” basis to confer with and provide recommendations to the AGO or the WSIB regarding case status, strategies, and potential settlement or other resolution of cases; and,

f. Provide other securities litigation services as requested, including providing representation of the WSIB where a determination is made to oppose a settlement of a class action case, intervening in a pending case, and giving advice regarding general securities litigation matters that may arise from time to time.

The Special Securities Litigation Counsel will provide services under the direction of the AGO. The AGO will be responsible for the oversight of the Special Securities Litigation Counsel’s work and administration of any engagement assigned as a result of this RFQQ. Except as may be otherwise expressly agreed upon, all of the Special Securities Litigation Counsel’s work product and communications regarding services performed or to be performed as a result of this RFQQ shall be confidential and privileged work product.

The WSIB will permit securities monitoring and provide the Special Securities Litigation Counsel with requested information and assist the Special Securities Litigation Counsel in obtaining information from the WSIB’s custodial bank or investment managers necessary to undertake monitoring services requested by the AGO and the WSIB.

Roster of Firms

The AGO anticipates creation of a roster of qualified firms as a result of this RFQQ process. Firms selected to be in the roster may, as the occasion arises and upon request, represent the WSIB in the prosecution of claims under federal and/or state securities laws relating to the securities holdings of the WSIB. While firms in the roster may be requested to represent the WSIB in specific securities litigation, inclusion in the roster does not confer any right to be engaged to do so.

Responding firms must demonstrate expertise in securities litigation class actions and independent securities litigation, especially as they relate to a public institutional investor such as the WSIB. Responding firms must demonstrate that the professionals and staff to be assigned to the engagement meet the highest standards of professional competence and ethics.

Responding firms must be able to provide services under the tight time constraints typically encountered in securities cases, especially class actions.

The AGO will make a selection of the specific firm to provide representation in a particular case based on an evaluation of the responses provided by firms in the roster contacted for the specific engagement. Everything else being equal, the AGO intends to disperse assignments to the firms in the roster, but the AGO reserves the right and the sole discretion as to which firm to select for any given case.

For cases assigned, the firm selected must be willing to provide periodic status reports, time and expense reports, and other client monitoring reports that may be required by the AGO or the WSIB.

Qualification Information Required to be Submitted

If your firm is interested in being considered for the roster, please provide written responses and materials that address the following requirements and areas in the following order:

- a. Experience of the firm in serving as counsel to institutional investors, including a listing and description of matters handled by the firm since 1999 which demonstrate the firm's ability to handle complex securities litigation concerning securities investments, and including notation of noteworthy litigation, management, and negotiation of bankruptcy, corporate governance, and fiduciary issues or developments resolved in such matters;
- b. Qualifications of personnel, including the experience and availability of the attorneys undertaking the day-to-day litigation work and the breadth and depth of the experience of partners, associates, and other professionals anticipated to be designated to provide services and support to the AGO and the WSIB, should an engagement be issued as a result of this RFQQ;
- c. Team organization and approach including the ability of the firm to adequately staff and complete time-sensitive matters and to interact effectively with the AGO and the WSIB in the management of a case and the delivery of related services;
- d. A demonstrated capacity to finance litigation and resolution of complex, large, lengthy and contentious securities cases;
- e. A demonstrated capacity to represent, coordinate and interact with multiple clients in a securities litigation matter and faithfully serve the interests of each with excellence; and
- f. A demonstrated ability to maintain excellent client relations and customer service as evidenced by at least three (3) references from current and former public institutional investor clients (please provide a client contact name and contact information for each reference provided).

In responding to these requirements and areas, offerors should provide a detailed description of the firm's experience and participation in the field of securities litigation, especially any provision of services to other public institutional investors similar to the WSIB, and list the approximate number of such investors served during the last five years, describing the responsibilities and services provided.

Offerors should provide a brief description of related areas of expertise in the firm (e.g. bankruptcy issues) and brief resumes of the lawyers who are anticipated to provide services under an engagement resulting from this RFQQ.

Offerors that seek to provide pre-litigation securities monitoring services, should provide a full description of any system or process expected to be utilized to monitor and analyze new class action claims filed and the potential impact to the investments of the WSIB. Indicate whether such system is to be provided directly by the firm or if all or any part of the process is to be provided through a third party. Where such systems can be reviewed or tested on-line, offerors should provide information on how such systems can be viewed or tested.

Fee Quotation or Proposal

The AGO and the WSIB anticipate that all legal fees will be paid on a contingency fee basis upon application to and award by the applicable court from the proceeds of any recovery or settlement, and neither the AGO nor the WSIB will be responsible for any attorneys fees if a recovery or settlement is not obtained. Likewise, the AGO and the WSIB anticipate that all other fees, costs and expenses incurred in litigation will be paid solely from recoveries, if any, achieved in the litigation, and neither the AGO nor the WSIB will be responsible for any other fees, costs and expenses.

Firms submitting responses should provide a quotation on fees or fee schedules that are proposed by the firm. Contingency fee quotations or proposals should provide specificity as to the following factors, as may be relevant, as to a fixed fee or fee range arrangement offered: (a) complexity of the case, (b) size of the recovery or settlement, (c) timing of the recovery or settlement, and (d) other factors. Alternatives to a contingency fee arrangement may be presented for consideration by the AGO and the WSIB.

Although quoted fees or fee schedules are requested, the AGO and WSIB reserve the right to request fee proposals on a case by case basis at the time a decision is made to participate in a particular securities case.

Conflicts

Offerors must describe its systems and processes for identifying conflicts of interest in undertaking representations of clients, including providing, upon request, a copy of the firm's written conflicts policy (or an explanation of why there is not a written policy).

Response Package and Copies

Please keep the response to a maximum of fifteen (15) pages (excluding attachments and resumes of personnel). Please submit an original, plus three (3) copies of your response package to the Attorney General's Office, attention to W. Howard Fischer, at the address listed below. Send an additional three (3) copies to the WSIB, attention to Paul Silver, at the separate address listed below.

Responses should follow the order of the requirements and areas set forth in this RFQQ. In the response, please note each requirement or area addressed in bold font followed by a thorough response in normal font. Supporting material must be clearly referenced as to the requirement or area addressed.

The AGO and the WSIB are public agencies of the State of Washington and are subject to public disclosure requirements. If any portion of the response package contains confidential proprietary or trade secret information, please clearly identify limited sections as such. Such confidential proprietary or trade secret information are subject to the requirements of Washington public disclosure laws and court rulings.

Submission Deadline

An original and three (3) copies of your complete submission package must be received no later than 5:00 pm Pacific, December 3, 2004 at the following address

Attn: W. Howard Fischer, Senior Assistant Attorney General
Securities Litigation RFQQ (WSIB)
Washington State Attorney General's Office
1125 Washington Street SE, P.O. Box 40100
Olympia, WA 98504-0100

Three (3) additional copies of your complete submission package should be sent to the following address:

Attn: Paul Silver, Assistant Attorney General
Securities Litigation RFQQ
Washington State Investment Board
2100 Evergreen Park Drive SW, P.O. Box 40916
Olympia, WA 98504-0916

Questions of a general nature may be directed to Paul Silver at 360-664-0267 or pauls@atg.wa.gov Responses may be provided as additional general information to those to whom this solicitation is sent.